AMENDED IN ASSEMBLY MARCH 13, 2003

CALIFORNIA LEGISLATURE—2003-04 REGULAR SESSION

ASSEMBLY BILL

No. 83

Introduced by Assembly Member Corbett and Firebaugh

(Coauthors: Assembly Members Chan, Goldberg, Hancock, Harman, Jackson, Koretz, Laird, Lieber, Mullin, and Yee)
(Coauthors: Senators Kuehl, Romero, and Soto)

January 6, 2003

An act to add Section 111197 to the Health and Safety Code, relating An act to add Article 12 (commencing with Section 116752) to Chapter 4 of Part 12 of, and to repeal Article 12 (commencing with Section 111070) of Chapter 5 of Part 5 of, Division 104 of the Health and Safety Code, relating to drinking water.

LEGISLATIVE COUNSEL'S DIGEST

AB 83, as amended, Corbett. Drinking-Bottled water: consumer confidence reports.

Existing law, commonly referred to as the California Safe Drinking Water Act, imposes various functions and duties on the State Department of Health Services with respect to the administration of the act, and requires public water systems to comply with recommended public health levels for contaminants in drinking water established by the department. Existing law further requires public water systems, among other things, to have an approved emergency notification plan, issue consumer confidence reports, and comply with annual inspections.

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Existing law, the Sherman Food, Drug, and Cosmetic Law, contains various provisions regarding the packaging, labeling, and advertising of food, drugs, and cosmetics. Existing law also provides for the licensure and regulation by the State Department of Health Services department of specified persons engaged in certain activities relating to bottled, vended, hauled, and processed water. Violation of any of these provisions is a crime.

This bill would require each water bottler, water vendor, water hauler, and retail water facility to prepare and distribute an annual consumer confidence report containing specified information to its respective customers. The bill would provide that each bottled water facility, water vending machine, and retail water facility shall be subject to annual inspections by the department, and would permit the department to make unannounced inspections of those facilities to determine compliance with statutory requirements.

The bill would also, commencing July 1, 2004, require each water bottling plant, water vending machine owner, water hauler, retail water facility, private water source operator, and bottled water distributor to reimburse the department, at a specified hourly rate, for costs incurred for certain inspection and enforcement activities.

Since a violation of the bill would be a crime, this bill would impose a state-mandated local program.

This bill would transfer the provisions relating to the licensure and regulation of persons engaged in the above bottled water activities from the Sherman Food, Drug, and Cosmetic Law to the California Safe Drinking Water Act. The bill would require bottled water licensees to comply with provisions similar to those imposed on public water systems regarding emergency notification plans, consumer confidence reports, and annual inspections. Failure to comply with the inspection provisions would be a misdemeanor. The creation of a new crime would impose a state-mandated local program.

This bill, among other things, would revise the annual license fee schedule and would create the Safe Bottled and Vended Water Account in the General Fund, comprised of these fees, from which moneys would be expended, upon appropriation by the Legislature, for purposes of providing funds necessary to administer the above provisions. It would also require the labeling on bottled water sold at retail or wholesale in a plastic beverage container to include specified information, and would make various technical, nonsubstantive changes.

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Existing law provides that a violation of certain provisions under the California Safe Drinking Water Act relating to fraud is punishable as a misdemeanor.

Since a violation of these fraud provisions by bottled water licensees would also be a misdemeanor, this bill would expand the definition of a crime, thereby imposing a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the

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2 SECTION 1. The Legislature finds and declares all of the 3 following:

- (a) The California Safe Drinking Water Act establishes a statutory framework for the regulation of the quality of "tap water" in the state through drinking water quality standards, requirements for consumer reporting of drinking water quality, and regulatory oversight by the State Department of Health Services.
- (b) Because bottled water and vended water products are regulated as food products rather than drinking water, many of the statutory protections for consumers contained in the California Safe Drinking Water Act that apply to tap water provided by public water systems do not apply to bottled water products, creating a lack of consumer certainty as to the contents of bottled water products.
- (c) In order to ensure consistent state oversight of drinking water and to protect public health and inform California citizens, it is necessary to renumber existing statutes, and consolidate existing and proposed new statutes related to bottled and vended water into the California Safe Drinking Water Act.
- (d) The general public perception is that bottled water and vended water products are safer, or are of higher quality, than tap

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water. However, the water quality requirements for bottled water are, in many cases, less stringent than tap water.

- (e) Bottled water products are not subject to water quality "right to know" consumer reporting requirements such as consumer confidence report requirements, resulting in a lack of reliable and credible information for consumers concerning the contents of bottled water and vended water products.
- (f) The existing levels of fees for the bottled water regulatory program are not sufficient to fund oversight of bottled water and vended water products when compared to funding that is generated by drinking water program regulatory fees paid by public water systems.
- (g) It is necessary to enact legislation to improve consumer protection and ensure that the consumers of bottled water are afforded the same water quality "right to know" protections and regulatory oversight of bottled water products as those established for tap water.
- SEC. 2. Article 12 (commencing with Section 111070) of Chapter 5 of Part 5 of Division 104 of the Health and Safety Code is repealed.
- SEC. 3. Article 12 (commencing with Section 116752) is added to Chapter 4 of Part 12 of Division 104 of the Health and Safety Code, to read:

Article 12. Bottled, Vended, Hauled, and Processed Water

- 116752. (a) "Bottled water" means any water that is placed in a sealed container at a water-bottling plant to be used for drinking, culinary, or other purposes involving a likelihood of the water being ingested by humans. Bottled water shall not include water packaged with the approval of the department for use in a public emergency.
- (b) "Vended water" means any water that is dispensed by a 34 water-vending machine or retail water facility, or water from a private water source, or other water as described in Section 116756.4 that is not placed by a bottler in sealed containers, and that is dispensed by a water-vending machine, retail water facility, water hauler, or any other person or facility for drinking, culinary, or other purposes involving a likelihood of the water being ingested by humans. "Vended water" does not include water from

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a public water system that has not undergone additional treatment. Water sold without further treatment is not "vended water" and shall be labeled in accordance with Section 116756.4.

- (c) "Water-bottling plant" means any facility in which bottled water is produced.
- (d) A "water-vending machine" means any self-service device that, upon insertion of a coin, coins, or token, or upon receipt of payment by any other means, dispenses a unit volume of water to be used for drinking, culinary, or other purposes involving a likelihood of the water being ingested by humans.
- (e) (1) "Water hauler" means any person who hauls water in bulk by any means of transportation if the water is to be used for drinking, culinary, or other purposes involving a likelihood of the water being ingested by humans.
- (2) As used in this subdivision, "in bulk" means containers having capacities of 250 gallons or greater.
- (f) "Retail water facility" means any commercial establishment where vended water is sold, and placed in customer's containers, or placed in containers sold or given to customers who come to the establishment to obtain water.
- (g) "Private water source" means a privately owned source of water, other than a public water system, that is used for bottled or vended water and meets the requirements of an approved source for bottled water as defined in Section 129.3 of Title 21 of the Code of Federal Regulations.
- (h) "Bottled water distributor" means any person, other than an employee or representative of a bottled water plant, who delivers bottled water directly to customers.
- 116752.2. (a) Any person who processes, packages, distributes, transfers, or stores bottled water or vended water shall comply with the good manufacturing practices described in Part 129 of Title 21 of the Code of Federal Regulations.
- (b) Prior to bottling or vending water, the water shall be subjected to filtration and effective germicidal treatment by ozone, ultraviolet, carbon dioxide, or an equivalent disinfection process approved by the department, except that the requirements for filtration and germicidal treatment shall not apply to mineral water as defined in, and from a source that is subject to, the council directive of the European Economic Community pertaining to natural mineral waters, dated July 15, 1980, or that is subject to

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any other natural mineral water standard in the country of origin that prohibits filtration and germicidal treatment, so long as both of the following conditions are met:

- (1) The source and product are certified by the responsible authority in the country of origin as complying with microbiological standards at least equal to the standards of this article.
- (2) The product complies with microbiological standards of this article.
- (c) Bottled or vended water that originates from a surface water source that is not protected from surface contamination shall be subjected to ozonation, filtration, or another effective process that removes or destroys the cysts of the parasite Giardia lamblia. For the purposes of this section, a spring house, catchment basin, storage tank, or bore hole adjacent to a natural spring water source is not a surface water source.
- (d) Ollas or other water-holding dispensers, both refrigerated and nonrefrigerated, water-vending machines, and water dispensers in retail water facilities, shall be examined for cleanliness each time they are serviced by the distributor, bottler, retail water facility, or water-vending machine operator. When necessary, these dispensers shall be sanitized according to the methods described in Part 129 of Title 21 of the Code of Federal Regulations.
- (e) Sanitary operations, equipment procedures, and process controls used in the treatment, storage, transport, or dispensing of water at a retail water facility shall comply with the good manufacturing practices described in the following provisions of Part 129 of Title 21 of the Code of Federal Regulations: subdivisions (a) to (c), inclusive, of Section 129.37; Section 129.40; and subdivisions (a), (c), (d), and (h) of Section 129.80.
- (f) Sanitary operations, equipment, procedures, and process controls used in the treatment, storage, transfer, transport, or dispensing of water by water haulers, shall comply with the good manufacturing practices described in the following provisions of Part 129 of Title 21 of the Code of Federal Regulations: subdivisions (a) and (b) of Section 129.37; Section 129.40; and subdivisions (a), (c), (d), and (h) of Section 129.89.
- (g) The design and construction of wells, bore holes, catchment 40 basins, spring houses, storage tanks, or other water-contact

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equipment used by private water sources shall comply with the requirements of the local regulatory authority. Sanitary operations, equipment procedures, and transfer controls used in the treatment, storage, transfer, or dispensing of water by private water source operators shall comply with the good manufacturing practices described in the following provisions of Part 129 of Title 21 of the Code of Federal Regulations: subdivision (a) of Section 129.37; Section 129.40; and subdivisions (a), (c), (d), (g), and (h) of Section 129.80.

- (h) Bottled water may be processed through lines used also for other food products under the following conditions:
- (1) Process lines, including storage tanks and associated equipment, shall be used exclusively for the production of bottled water, except for filling equipment, that may be used also for filling other food products.
- (2) Before being used for the bottling of water, filling equipment that is designed to be cleaned in-place and that is used for filling other food products shall be thoroughly cleansed and sanitized in-place in accordance with the manufacturer's specifications and in compliance with Section 129.80 of Title 21 of the Code of Federal Regulations and the supplementary procedures contained in paragraphs (3) to (7), inclusive.
- (3) Immediately following completion of filling operations for any other food product other than water, the filler shall be thoroughly rinsed internally and externally with potable water.
- (4) In accordance with filler manufacturer's instructions, any parts that are not designed to be cleaned in-place shall be disassembled and removed. All of these parts shall be cleansed and sanitized prior to reassembly using appropriate cleansing and sanitizing procedures, as specified in subdivisions (c) and (d) of Section 129.80 of Title 21 of the Code of Federal Regulations.
- (5) All surfaces of the filler that do not contact food products shall be cleaned manually so as to render all surfaces clean and free of any residues.
- (6) The filler shall be prepared and all appropriate connections made in accordance with the filler manufacturer's instructions to place the filler in the clean-in-place mode. The following procedures shall be followed:
- (A) An alkaline cleaning solution of appropriate strength shall be recirculated through the filler to provide effective cleaning of

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1 all product contact surfaces, with a minimum recirculation time of
2 20 minutes at a temperature between 140 and 170 degrees
3 Fahrenheit.

- (B) The cleaning solution shall be drained and followed with a potable water rinse-to-drain for the removal of all residual cleaner alkalinity. This step may be supplemented by the application of an acidified rinse prior to the potable water rinse in order to neutralize any residual alkalinity on product contact surfaces.
- (7) Following reassembly of all parts to place the filler into the product mode and just prior to bottling water, the filler shall be sanitized in-place in accordance with procedures specified in subdivision (d) of Section 129.80 of Title 21 of the Code of Federal Regulations.
- (8) Any alternate cleaning, rinsing, or sanitizing operations or processes not described in this section shall be approved in writing by the department.
- (i) Bottled water and bulk waters sold at retail shall not contact equipment, lines, tanks, or vehicles used for processing, packaging, holding, or hauling of any nonfood product.
- 116752.4. The quality and labeling standards requirements for bottled water and vended water, including mineral water, shall include all standards prescribed by Section 165.110 of Title 21 of the Code of Federal Regulations. In addition, bottled water and vended water, when bottled, shall comply with the following quality standards and any additional quality standards adopted by regulation that the department determines are reasonably necessary to protect the public health:
- (a) Bottled water and vended water shall meet all maximum contaminant levels set for public drinking water that the department determines are necessary or appropriate so that bottled water may present no adverse effect on public health. New or revised allowable levels or monitoring provisions adopted for bottled water by the United States Food and Drug Administration under the federal Food, Drug and Cosmetic Act (21 U.S.C. Sec. 301 and following) that are more stringent than the state requirements for bottled water are incorporated into this chapter and are effective on the date established by the federal provisions unless otherwise established by regulations of the department.

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(b) Bottled and vended water shall not exceed 10 parts per billion of total triahalomethanes or five parts per billion of lead unless the department establishes a lower level by regulation.

- (c) Bottled and vended water shall contain no chemicals in concentrations that the United States Food and Drug Administration or the department has determined may have an adverse effect on public health.
- 116752.5. (a) When a licensee has not complied with any maximum contaminant level set for public drinking water standards, as provided in subdivision (a) of Section 116752.4, when a monitoring requirement specified by the department is not performed by a licensee, or when a licensee fails to comply with the conditions of any variance, the licensee shall notify the department and shall give notice to consumers of that fact in the manner prescribed by the department. When a variance is granted, the licensee shall give notice to consumers of that fact.
- (b) When a licensee determines that a significant rise in the bacterial count of water has occurred in its bottled or vended water, the licensee shall provide, at its own expense, a report on the rise in bacterial count of the water, together with the results of an analysis of the water, within 24 hours to the department and, where appropriate, to the local health officer.
- (c) When the department receives the information described in subdivision (b) and determines that it constitutes an immediate danger to health, the department shall immediately notify the licensee to implement the emergency notification plan required by this article.
- (d) In the case of a failure to comply with any maximum contaminant level set for public drinking water that represents an imminent danger to the health of consumers, the licensee shall notify consumers as provided in the approved emergency notification plan.
- (e) In addition, the same notification requirement shall be required in any instance in which the department or the local health officer recommends to the licensee that it notify its customers to avoid internal consumption of the bottled or vended water and to use an alternative source of drinking water due to a chemical contamination problem that may pose a health risk.
- (f) The content of the notices required by this section shall be approved by the department. Notice shall be repeated at intervals,

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as required by the department, until the department concludes that there is compliance with its standards or requirements. Notices may be given by the department.

(g) In any case where consumer notification is required by this section because a contaminant is present in bottled or vended water at a level in excess of a maximum contaminant level set for public drinking water, the notification shall include identification of the contaminant, information on possible effects of the contaminant on human health, and information on specific measures that should be taken by persons or populations who might be more acutely affected than the general population.

116752.6. (a) No person may operate a facility licensed pursuant to Section 116754 without an emergency notification plan that has been submitted to, and approved by, the department. The emergency notification plan shall provide for immediate notice to the licensee's consumers of any significant rise in the bacterial count of water or other failure to comply with any maximum contaminant level set for public drinking water that represents an imminent danger to the health of consumers.

- (b) No license or variance may be issued or amended under this article until an emergency notification plan has been approved by the department.
- (c) The department shall adopt regulations to implement this section. The regulations may provide for the exclusion of licensees from the requirements of this section when, in the judgment of the department, the exclusion will best serve the public interest.

116752.8. Polycarbonate resins manufactured after January 1, 1988, and intended for use in fabricating containers for water products defined in this article shall not contain in excess of three parts per million residual methylene chloride or in excess of 200 parts per million residual monochlorobenzene unless the department establishes a lower level by regulation. For the purpose of monitoring compliance with this section, the concentration of methylene chloride and monochlorobenzene shall not exceed one part per billion in water. "Polycarbonate resins" means the substances defined by Section 177.1580 of Title 21 of the Code of Federal Regulations except as modified by this section.

116753. Any owner or operator of a water-vending machine or other device from which any operator or customer dispenses

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vended water shall comply with the following standards of design, construction, and sanitation and any additional standards adopted by regulation that the department determines are reasonably necessary to protect the public health. The water-vending machines or devices shall do all of the following:

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- (a) Comply with the construction and performance standards established by the department or by an independent authority approved by the department.
- (b) Be designed and constructed to permit easy cleaning and maintenance of all exterior and interior surfaces.
- (c) Have all parts and surfaces that come into contact with the water constructed of approved, corrosive-resistant, and nonabsorbent material capable of withstanding repeated cleaning and sanitizing treatment.
- (d) Have a recessed or guarded corrosion-resistant dispensing spout.
- (e) Be designed so that all treatment of the vended water by distillation, ion exchange, filtration, ultraviolet light, reverse osmosis, mineral addition, or any other acceptable process is done in an effective manner.
- (f) Have an effective system of handling drip, spillage, and overflow of water.
- (g) Have a backflow prevention device approved by the department for all connections with the water supply.
- (h) Dispense water disinfected by ultraviolet light or other method approved by the department prior to delivery into the customer's container.
- (i) Be equipped with monitoring devices designed to shutdown operation of the machine when the disinfection unit fails to function. Alternatively, machines shall be monitored daily at startup and manually shutdown whenever the unit fails to function.
- (i) Be equipped with either a self-closing, tight-fitting door on the vending compartment, or an enclosed vending spout in order to protect the vending spout when the water-vending machine is not in use. As an alternative, water-vending machines or other 36 water-dispensing devices may be enclosed in a room with tight-fitting walls, ceilings, and one of the following: a self-closing door, an effective air screen device, or an alternative effective
 - device approved by the department.

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(k) Comply with the American Water Works Association (AWWA) specifications for granular activated carbon if used in the treatment of potable water (AWWA B604-74).

- (l) Be maintained in a clean and sanitary condition, free from dirt and vermin.
- (m) Use a state approved and regulated public water supply or private water source.
- (n) Be located in an area that can be maintained in a clean condition and in a manner that avoids insect and rodent harborage.
- (o) Be equipped with monitoring devices designed to shut down the labeled purified water delivery system if treatment of water by the machine does not result in a total dissolved solids content of less than 10 milligrams per liter in the purified water. Alternatively, machines shall be monitored daily at startup and manually shutdown whenever the total dissolved solids content exceeds 10 milligrams per liter in the purified water.
- 116753.2. It shall be unlawful to operate a water-bottling plant, water-vending machine, retail water facility, or private water source in violation of the minimum health standards of this article.
- 116753.4. It is unlawful for any person to operate a water vending machine in this state that does not satisfy the minimum standards prescribed by this article for the design, construction, and sanitation of water-vending machines.
- 116753.6. The department, upon the request of a local health officer, may authorize the local health officer to implement and enforce those provisions of this article that relate to water-vending machines, retail water facilities, and water haulers under the terms and conditions specified by the department.
- 116753.8. No water-vending machine may be used in this state that does not at least satisfy the minimum standards adopted by the department.
- 116753.9. The department shall require that each water-vending machine, retail water treatment plant, water hauler vehicle and facility, and private water source be maintained in a clean and sanitary condition at all times.
- 116754. (a) No person may operate a water-bottling plant or a private water source, or be a bottled water distributor in this state, except pursuant to a license issued by the department. If a

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person has a valid water-bottling plant license issued by the department, additional license fees for a private water source operator, a retail water facility operator, a water hauler, or a bottled water distributor based and operating at the same address, shall not be required.

- (b) No person may own or operate a water-vending machine or a retail water facility or be a water hauler, except pursuant to a license issued by the department or a permit issued by a local health department.
- (c) It shall be unlawful for any person to bottle, collect, treat, hold, distribute, haul, vend, or sell bottled water or vended water, operate a retail water facility, or operate a private water source without the license as required by this article. Any bottled water or vended water dispensed by a retail water facility or a private water source that is not licensed in compliance with this article is misbranded and may be embargoed pursuant to subdivision (e).
- (d) It shall be unlawful for a water bottler, distributor, vendor, retail water facility operator, or private water source operator to sell or otherwise distribute water that is unsafe for use, as provided in Section 110445, or that is adulterated, as provided in Section 110545, 110560, or 110565, or that is misbranded as provided in Article 6 (commencing with Section 110660) of Chapter 5 of Part 5.
- (e) For the purposes of enforcing this section, water may be embargoed pursuant to Section 111860 in its immediate container, well, spring, spring vault, holding tank, water hauling vehicle, retail water treatment system, spigot, or pipe if there is reasonable cause to believe that it is adulterated.
- (f) Any retail water facility, water vendor, or water hauler that violates this article may be subjected to the same penalty and enforcement procedure provided for violation of this article by a water-bottling plant.
- 116754.1. No bottled water produced in an out-of-state bottling plant may be sold or distributed within this state unless either the out-of-state bottler or the distributor shall have first obtained a bottler's or distributor's license.
- 116754.2. (a) Each category 1 water bottling plant owner or operator, category 2 water bottling plant owner or operator, water-vending machine owner or operator, water hauler, retail water facility operator, private water source operator, and bottled

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 water distributor shall reimburse the department for actual costs incurred by the department for conducting those activities mandated by this article relating to the issuance of licenses, inspections, monitoring, surveillance, and water quality evaluation that relate to that specific license. The amount of reimbursement shall be sufficient to pay, but shall not exceed, the department's actual cost in conducting these activities.

- (b) For purposes of determining the fees provided for in subdivision (a), the department shall maintain a record of its actual costs for pursuing the activities specified in subdivision (a) relative to each licensee required to pay the fees. The fee charged each licensee shall reflect the department's actual cost of conducting the specified activities.
- (c) The department shall submit an invoice for cost reimbursement for the activities specified in subdivision (a) to the licensee no more than twice a year.
- (d) (1) The department shall submit one estimated cost invoice to the licensee. This invoice shall include the actual hours expended during the first six months of the fiscal year. The hourly cost rate used to determine the amount of the estimated cost invoice shall be the rate for the previous fiscal year.
- (2) The department shall submit a final invoice to the licensee prior to October 1 following the fiscal year that the costs were incurred. The invoice shall indicate the total hours expended during the fiscal year, the reasons for the expenditure, the hourly cost rate of the department for the fiscal year, the estimated cost invoice, and payments received. The amount of the final invoice shall be determined using the total hours expended during the fiscal year and the actual hourly cost rate of the department for the fiscal year. The payment of the estimated invoice, exclusive of late penalty, if any, shall be credited toward the final invoice amount.
- (3) Payment of the invoice issued pursuant to paragraphs (1) and (2) shall be made within 90 days of the date of the invoice. Failure to pay the amount of the invoice within 90 days shall result in a 10-percent late penalty that shall be paid in addition to the invoiced amount.
- (e) Each owner or operator of any water-bottling plant, retail water facility, or private water source, each water hauler in California, and each bottler or distributor of water bottled out-of-state shall make application for a license on forms provided

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by the department. Applications shall be submitted for each calendar year.

- (f) Each water-vending machine owner or operator shall make application each calendar year for a license for all machines on forms provided by the department. A decal or seal provided by the department indicating a license fee has been paid shall be affixed in a prominent place to each water-vending machine in service.
- 116754.3. (a) Each licensee shall reimburse the department for actual costs incurred by the department for any of the following enforcement activities related to that licensee:
- (1) Preparing, issuing, and monitoring compliance with an order or a citation.
 - (2) Preparing and issuing public notification.

- (b) The department shall submit an invoice for these enforcement costs to the licensee that requires payment prior to September 1 of the fiscal year following the fiscal year in which the costs were incurred. The invoice shall indicate the total hours expended, the reasons for the expenditure, and the hourly cost rate of the department. The costs set forth in the invoice shall not exceed the total actual costs to the department of enforcement activities specified in this section.
- (c) As used in this section, "enforcement costs" do not include "litigation costs" pursuant to Section 116754.5.
- (d) The department shall not be entitled to enforcement costs pursuant to this section if either a court or the department determines that enforcement activities were in error.
- (e) The maximum reimbursement, pursuant to this section, by a licensee during any fiscal year shall not exceed one thousand dollars (\$1,000), or twice the maximum for that licensee, as set forth in subdivision (b) of Section 116754.2, whichever is greater.
- 116754.4. (a) Each licensee that requests a variance pursuant to subdivision (e) of Section 116756 shall reimburse the department for actual costs incurred by the department in processing the request.
- (b) The department shall submit an invoice to the licensee prior to October 1 of the fiscal year following the fiscal year in which the department's decision was rendered with respect to the request for a variance. The invoice shall indicate the number of hours expended by the department and the department's hourly cost rate. Payment of the fee shall be made within 120 days of the date of the

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invoice. The department may revoke any approval of a request for a variance for failure to pay the required fees.

116754.5. In any civil court action brought to enforce this article, the prevailing party or parties shall be awarded litigation costs, including, but not limited to, salaries, benefits, travel expenses, operating equipment, overhead, other litigation costs, and attorney's fees, as determined by the court. Litigation costs awarded to the department by the court shall be deposited into the Safe Bottled and Vended Water Account established pursuant to Section 116754.6.

116754.6. (a) Notwithstanding Section 116590, all funds received by the department pursuant to this article shall be deposited into the Safe Bottled and Vended Water Account that is 14 hereby established in the General Fund. Funds in the Safe Bottled and Vended Water Account may not be expended for any purpose other than as set forth in this article. All moneys collected by the department pursuant to Sections 116754.2 to 116754.5, inclusive, shall be deposited into the Safe Bottled and Vended Water Account for use by the department, upon appropriation by the Legislature, for the purposes of providing funds necessary to administer this article.

- (b) The department's hourly cost rate to determine the reimbursement for actual costs pursuant to Sections 116754.2, 116754.3, and 116754.4 shall be based upon the department's costs for salaries, benefits, travel expenses, operating equipment, administrative support, and overhead.
- (c) Fees assessed pursuant to this article shall not exceed actual costs to the department.
- (d) The department shall develop a time accounting standard designed to do all of the following:
 - (1) Provide accurate time accounting.
- (2) Provide accurate invoicing based upon hourly rates comparable to private sector professional classifications and comparable rates charged by other states for comparable services. These rates shall be applied against the time spent by the actual individuals who perform the work.
- (3) Establish work standards that address work tasks, timing, completeness, limits on redirection of effort, and limits on the time spent in the aggregate for each activity.

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(4) Establish overhead charge-back limitations, including, but not limited to, charge-back limitations on charges relating to reimbursement of services provided to the department by other departments and agencies of the state, that reasonably relate to the performance of the function.

(5) Provide appropriate invoice controls.

- 116754.7. (a) The department may deny any license application or revoke or suspend any license issued for cause. The department shall inform the person of any denial, revocation, or suspension in writing, stating with particularity reasons for the denial, revocation, or suspension.
- (b) As used in this section, "cause" means a violation of any provision of this article or any regulation adopted pursuant to this article.
- 116754.8. The department shall charge and collect a fee for each department evaluation required to issue a new license for a water-vending machine model or a retail water facility to determine compliance with standards established by this article. The fee shall be three hundred dollars (\$300) and shall be adjusted annually as required by Section 100425.
- 116755. (a) The department shall require each bottler, distributor, or vendor of bottled water, each owner or operator of any water-vending machine, and each water hauler, retail water facility operator, private water source operator, and applicant for a license, to test for all substances necessary to establish conformance to standards adopted pursuant to Section 116752.4 at the times and frequencies the department may reasonably establish.
- (b) Each product dispensed by a water-vending machine or a retail water facility shall be sampled and analyzed for coliform bacteria at least once every six months. The analysis shall be submitted to the department indicating whether the water is pure and wholesome. Analysis of vended water or water from retail water facilities shall be submitted to the local health officers if the local health officers are authorized by the department pursuant to Section 116753.6.
- (c) Purified waters from retail water facilities shall be analyzed by the operator for dissolved solids by conductivity measurement not less frequently than once every seven days.

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 (d) Purified water from vending machines shall be analyzed by the operator for the dissolved solids by conductivity measurement each time the vending machine is serviced.

116755.2. (a) All sources of bottled water, vended water, and water dispensed by a retail water facility shall be monitored annually for the presence of volatile organic compounds of potential public health concern, as specified by the United States Environmental Protection Agency in Tables 2 and 14 contained in Volume 50 of the Federal Register on pages 46904, 46923, and 46924 on November 13, 1985, or as reasonably specified by the department as a condition of licensure.

- (b) In lieu of source water monitoring required by this section, a water bottler, water vendor, or a retail water facility may document that the source monitoring required by this section is conducted by another entity approved by the department, or may comply with the treatment requirements of subdivision (c).
- (c) Detection in the source water of a volatile organic compound, except trihalomethanes, for which source monitoring is required pursuant to this section shall be followed immediately by a program of periodic monitoring by the water bottler, water vendor, or retail water facility to confirm the presence or absence in the source water of the volatile organic compound. If the volatile organic compound is confirmed to be present in the source water it shall be treated using granular activated carbon treatment or an equivalent treatment operated in accordance with good manufacturing practices as provided in Section 129.80 of Title 21 of the Code of Federal Regulations until the time that the concentration of the volatile organic compound does not exceed either one part per billion, or any United States Environmental Protection Agency or United States Food and Drug Administration level for drinking water, or a maximum contaminant level established by the department for bottled water.
- (d) The department may exempt any water bottler, water vendor, or retail water facility from the monitoring requirements of this section for any source based on a showing satisfactory to the department that the source (1) does not contain the volatile organic compound for which monitoring is required and (2) is not vulnerable to contamination by the volatile organic compound because for surface water sources the compounds are not applied, manufactured, stored, disposed, or shipped upstream, and for

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groundwater sources, the compounds are not applied, manufactured, stored, disposed, or shipped in the groundwater recharge basin.

116755.4. (a) As a condition of licensure pursuant to Section 116754, each licensee shall annually prepare a consumer confidence report and make that report available to each customer as required under this article, and to the department, which shall make the information available on its Web site. The report shall include all of the following information:

(1) The source of the bottled or vended water.

- (2) A brief and plainly worded definition of the term "maximum contaminant level," "primary drinking water standard," and "public health goal."
- (3) If any regulated contaminant is detected in the bottled or vended water during the past year, the report shall include all of the following information:
- (A) The level of the contaminant found in the bottled or vended water, and the corresponding public health goal and primary drinking water standard for that contaminant.
- (B) Any violations of the primary drinking water standard that have occurred as a result of the presence of the contaminant in the bottled or vended water and a brief and plainly worded statement of health concerns that resulted in the regulation of the contaminant.
- (C) Brief and plainly worded statements of health effects that resulted in the regulation of a contaminant for any contaminant for which a public water system is required by state or federal law to include a statement of health effects upon detection of that particular contaminant.
- (D) The licensee's address and telephone number to enable the customer to obtain further information concerning contaminants and potential health effects.
- (4) Information on the levels of unregulated contaminants, if any, for which monitoring is required pursuant to state or federal law or regulation.
- (5) Disclosure of any variances, pursuant to subdivision (e) of Section 116756, granted to the licensee and the basis upon which the variance was granted.
- (b) The report shall include information in Spanish expressing the importance of the report or offering additional information. In

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addition, for each non-English-speaking group other than Spanish that exceeds 10 percent of the state's population based upon the most current United States Census data, the report shall include information in the appropriate languages expressing the importance of the report or offering additional information. The department shall make the final determination of the appropriate multilingual requirements of the report.

116755.6. (a) Each licensee shall establish a toll-free telephone hotline for consumers to request additional information regarding water quality. The toll-free telephone hotline shall have multilingual capabilities and shall allow consumers to request complete information regarding the quality of the licensee's bottled or vended water product or products, including, but not limited to, all of the following:

- (1) Consumer confidence reports prepared pursuant to Section 116755.4.
- (2) Publicly available water quality information for brands of bottled water.
- (3) Information from local health departments regarding the quality of vended water, if applicable.
- (b) If a licensee has a Web site presence, it shall provide active linkages on its Web site to the information available on the toll-free telephone hotline, as required by this section.

116755.8. Notwithstanding any other provision of this article, the department may require any bottler, distributor, or vendor of bottled water, any owner or operator of a water-vending machine, any water hauler, any retail water facility operator, any private water source operator, or any applicant for a license to test and submit results to the department for any substance, including organic chemical contaminants, at any time that the department believes the substance may be present in the water source and threaten the public health.

116756. (a) Upon a determination by the department that a particular water source is subject to potential contamination, the department shall notify the bottler, distributor, or vendor of bottled water, the owner and operator of any water-vending machine, any water hauler, any retail water facility operator, or any private water source operator of the specific contaminants or class of contaminants that pose a potential health risk.

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(b) Within 90 days after notification by the department, the bottler, distributor, or vendor of bottled water, the owner and operator of any water-vending machine, any water hauler, any retail water facility operator, or any private water source operator shall conduct an analysis of the water source and submit the results of the analysis to the department.

- (c) If evidence of contamination is found, the department may, by order, require the bottler, distributor, or vendor of bottled water, the owner and operator of any water-vending machine, any water hauler, any retail water facility operator, or any private water source operator to conduct a source and product water analysis for the contaminants of concern in accordance with conditions specified by the department. The water analysis shall be conducted and reported on an annual basis, unless the department finds that reasonable action requires either more frequent or less frequent analysis.
- (d) The department may, by order, require the bottler, distributor, or vendor of bottled water, the owner and operator of any water-vending machine, any water hauler, any retail water facility operator, or any private water source operator to reduce or eliminate the concentration of any chemical that the department determines may have an adverse effect on public health. Until an enforceable standard has been established for a chemical that may have an adverse effect on human health, the department may require treatment techniques to reduce the concentration of the contaminants that require treatment, in the department's judgment, to prevent known or anticipated adverse effects on the health of persons. The treatment system shall be designed to meet criteria designated by the department or by an independent authority approved by the department.
- (e) The department may grant variances from the requirements of subdivision (d), if the bottler, distributor, or vendor of bottled water, the owner and operator of any water-vending machine, any water hauler, any retail water facility operator, or any private water source operator demonstrates either of the following:
- (1) That the prescribed treatment technique is not necessary to protect the health of consumers because its water source is not subject to, nor is it likely to be subject to, significant chemical contamination.

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 (2) An alternative treatment technique is at least as efficient in lowering the level of contaminants to be controlled.

116756.2. All testing of bottled water, bottled water sources, water distributed by water haulers, water from retail water facility, and water from vending machines shall be done by laboratories approved by the department, laboratories certified by the United States Environmental Protection Agency, laboratories certified by the primary enforcement authority in states that have been granted primacy by the United States Environmental Protection Agency, or laboratories certified (accredited) by a third-party organization acceptable to a primacy state.

- 116756.4. (a) Labeling and advertising of bottled water and vended water shall conform with this article, Chapter 4 (commencing with Section 110290) of Part 5, and applicable portions of Part 101 of Title 21 of the Code of Federal Regulations.
- (b) Each container of bottled water sold in this state, each water-vending machine, and each container provided by retail water facilities located in this state shall be clearly labeled in an easily readable format. Retail water facilities that do not provide labeled containers shall post, in a location readily visible to consumers, a sign conveying required label information.
- (c) Retail water facilities and private water sources that sell water at retail shall display in a position clearly visible to customers the following information:
 - (1) The name and address of the operator.
- (2) The source of the water in a typeface at least equal to the size of the typeface of the corporate name or trademark.
- (3) The fact that the water is obtained from an approved public water supply or licensed private water source.
 - (4) A statement describing the treatment process used.
 - (5) If no treatment process is utilized, a statement to that effect.
- (6) A telephone number that may be called for further information, service, or complaints.
- (7) The means by which a customer may order or download consumer information relating to water quality, including the consumer confidence report prepared pursuant to Section 116755.4, as provided in Section 116755.6.
- (d) Retail water facilities and private water source operatorsthat sell water at retail shall also display the consumer confidence

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1 report, prepared pursuant to Section 116755.4, in a take-home 2 format.

- (e) Bottled water may be labeled "drinking water," notwithstanding the source or characteristics of the water, only if it is processed pursuant to the Food and Drug Administration Good Manufacturing Practices contained in Section 165.110 and Parts 110 and 129 of Title 21 of the Code of Federal Regulations, Sections 12235 to 12285, inclusive, of Title 17 of the California Code of Regulations, and any other requirements established by the department pursuant to Sections 116755, 116755.2, and 116755.8. Any vended water and any water from a retail water facility may be labeled "drinking water," notwithstanding the source or characteristics of the water, only if it is processed pursuant to Article 10 (commencing with Section 114200) of Chapter 4 of Part 7 and any other requirements established by the department pursuant to Sections 116755, 116755.2, and 116755.8.
- 116756.5. Water-vending machines shall display, in a position clearly visible to customers, the following information:
 - (a) The name and address of the operator.
- (b) The source of the water in a typeface at least equal to the size of the typeface of the corporate name or trademark.
- (c) The fact that the water is obtained from an approved public water supply or licensed private water source.
 - (d) A statement describing the treatment process used.
 - (e) If no treatment process is utilized, a statement to that effect.
- (f) A telephone number that may be called for further information, service, or complaints.
- (g) The most current version of the consumer confidence report prepared pursuant to Section 116755.4.
- (h) The means by which a customer may order or download consumer information relating to water quality, including the consumer confidence report prepared pursuant to Section 116755.4, as provided in Section 116755.6. The information required by this subdivision shall be displayed in Spanish, and for each non-English-speaking group other than Spanish that exceeds 1,000 residents or 10 percent of the residents in the community in which the water-vending machine is located, whichever is less, the information shall be displayed in the appropriate languages. The department shall make the final determination of which water-vending machines need to include multilingual information.

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(i) The date on which the water-vending machine was last cleaned and serviced by the owner or operator.

116756.6. (a) The labeling on bottled water sold at retail or wholesale in this state in a plastic beverage container, as defined in Section 14517 of the Public Resources Code, shall include one of the following:

- (1) A telephone number of the bottler or brand owner.
- (2) The bottler's or brand owner's mailing address.
- (b) Bottlers or brand owners may also include other forms of contact, including, but not limited to, the bottler's or brand owner's E-mail address or Web site.
- 116756.7. (a) Notwithstanding Section 116756.6, the labeling on bottled water sold at retail or wholesale in this state in a plastic beverage container, as defined in Section 14517 of the Public Resources Code, shall also include the following:
- (1) The source of the bottled water in a typeface at least equal to the size of the typeface of the corporate name or trademark.
- (2) If any regulated contaminant is detected in the bottled water, as reported in the consumer confidence report prepared pursuant to Section 116755.4, the label shall also include the following information:
- (A) The range of the contaminant level found in the bottled water and the corresponding maximum contaminant level and public health goal for that contaminant.
- (B) Any violations of the maximum contaminant level that have occurred as a result of the presence of the contaminant in the bottled water.
- (C) An indication of the health concerns that resulted in the regulation of the contaminant.
- (3) The means by which a customer may order or download consumer information relating to water quality, including the consumer confidence report prepared pursuant to Section 116755.4, as provided in Section 116755.6.
- (b) The label information required by this section shall be updated annually, commensurate with publication of the annual consumer confidence report prepared pursuant to Section 116755.4.
- 38 116756.8. Bottlers, bottled water distributors, and water 39 haulers that distribute directly to consumers shall annually mail

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or deliver a copy of the consumer confidence report prepared pursuant to Section 116755.4 to each customer.

116757. (a) In addition to the requirements of this article, if a bottler, distributor, water hauler, retail water facility operator, or vending machine operator provides information in the labeling or advertising stating or implying that this water is of a specific water type (for example, "spring water") or treated in a specific manner (for example, "purified"), the type or treatment shall be clearly labeled in an easily readable format. In order to be so labeled, the source or treatment shall conform to the definitions established in Section 165.110 of Title 21 of the Code of Federal Regulations, or, if not defined in that section, with the following criteria:

- (1) "Mineralized water" means bottled or vended water that meets the requirements of "mineral water" except that the water contains added minerals.
- (2) "Natural water" means bottled or vended spring, artesian well, or well water that is unmodified by mineral addition or deletion, except "natural water" may be filtered and shall be sanitized with ozone or an equivalent disinfection process and treated to reduce the concentration of any substance that exceeds safety standards established by the department.
- (3) "Naturally sparkling water" means bottled water or vended water with a carbon dioxide content from the same source as the water.
- (4) "Sparkling," "carbonated," or "carbonation added" means bottled water or vended water that contains carbon dioxide.
- (b) Notwithstanding any other provision of this section, water from a public water system that is unprocessed by the bottler or vendor shall be in compliance with Section 165.110(a)(3)(ii) of Title 21 of the Code of Federal Regulations.
- 116757.2. Except as provided in Section 116752.4, any bottled water or vended water, the quality of which is below the quality required by this article, shall be labeled with a statement of substandard quality, as prescribed by subsection (b) of Section 165.110 of Subpart B of Part 165 of Title 21 of the Code of Federal Regulations.
- 116757.4. (a) A bottled water, as defined in Section 116752, with natural or added carbonation, may be prepared with added flavors, extracts, essences, or fruit juice concentrates derived from a spice or fruit and comprising less than 1 percent by weight of the

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final product. The final product shall contain no sweeteners, or additives other than the flavors, extracts, essences, or fruit juice concentrates and carbon dioxide and shall be designated on labels and in advertising as follows:

- (1) The common or usual name of the characterizing flavor shall accompany the designation of the bottled water product type, as specified in Section 116757.
- (2) The product may be designated as "natural" only if it meets the requirements for the designation as provided in Section 116757, and naturally derived flavors, extracts, or essences are used.
- (b) Products labeled pursuant to this section shall comply with all other provisions of this article. Products with one type or one source of bottled water that are labeled pursuant to this section shall not be blended with water that is not bottled water or that is of another bottled water type.
- 116757.6. (a) Bottlers and water haulers that distribute directly to consumers shall provide a sentence on each billing statement that includes the following:
 - (1) A telephone number of the bottler or brand owner.
 - (2) The bottler's or brand owner's mailing address.
- (3) The means by which a customer may order or download consumer information relating to water quality, including the consumer confidence report prepared pursuant to Section 116755.4, as provided in Section 116755.6.
- (b) Bottlers or brand owners may also include other forms of contact, including, but not limited to, the bottler's or brand owner's E-mail address or Web site.
- 116757.8. (a) The department may, by written permission, allow a person to package water for use in public emergencies without obtaining a water bottling license, where the emergency has resulted in the interruption of, or has compromised the quality of, the public drinking water supply. This permission may authorize the suspension of any provision of this article and related regulations.
- (b) (1) The department may at any time change or impose on the permittee any requirements such as testing, equipment, and documentation that the department deems necessary to protect public health but in doing so shall consider the effect of those

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requirements in light of the urgency of the situation. The department may grant or withdraw this permission at any time.

- (2) Packing, distribution, and use of water under this permit shall only be allowed during the emergency period and shall end upon the restoration of adequate public drinking supplies as determined by the department. Distribution shall be limited to the area affected. Water so packaged shall be prominently labeled "drinking water," "for emergency use only," and "not for sale," or similar wording approved by the department.
- (c) This section shall not be construed to restrict licensed water-bottling plants from providing water processed in accordance with this article in emergency situations.
- 116758. The department, prior to issuing a license, shall review all labels prepared pursuant to this article, and may require any changes in order to comply with this article.
- 116759. (a) In order to carry out the purposes of this article, any duly authorized representative of the department may, at any reasonable hour of the day, do any of the following:
- (1) Enter and inspect any licensed facility or any place where bottled water or vended water records are stored, kept, or maintained.
- (2) Inspect and copy any records, reports, test results, or other information required to carry out this article.
- (3) Set up and maintain monitoring equipment for purposes of assessing compliance with this article.
 - (4) Obtain samples of the water supply.
- (5) Photograph any portion of the facilities, any activity, or any sample taken.
- (b) Any duly authorized representative of the department may, at any time, do any of the following:
 - (1) Inspect any water vending machine.
- (2) Set up and maintain monitoring equipment for purposes of assessing compliance with this article.
 - (3) Obtain samples of vended water.
- (4) Photograph any portion of the water vending machine, any activity, or any samples taken.
- (c) The department shall inspect each water-bottling plant, water-vending machine, retail water facility, and private water source, as well as each facility and vehicle involved in bottled water distribution or water hauling at least annually, and shall

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provide an opportunity for a representative of the water-bottling plant, water-vending machine owner or operator, water hauler, retail water facility operator, private water source operator, or bottled water distributor to accompany the representative of the department during the inspection.

- (d) It shall be a misdemeanor for any person to prevent, interfere with, or attempt to impede in any way any duly authorized representative of the department from undertaking the activities authorized by this section.
- SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

following:

- (a) Published reports indicate that nearly 70 percent of all Californians consume some or all of their drinking water from bottled water sources.
- (b) The general public perception is that bottled water and vended water products are safer, or are of higher quality, than tap water. However, the water quality standards for bottled water are, for the most part, no more stringent than for tap water.
- (e) While bottled water, vended water, and tap water are subject to similar water quality standards, bottled water and vended water are regulated as food products and are not subject to many of the statutory protections for consumers that apply to drinking water supplied by public water systems.
- (d) Bottled water products are not subject to water quality "right to know" consumer reporting requirements such as consumer confidence report requirements that apply to tap water, resulting in a lack of reliable and credible information for consumers concerning the contents of bottled water and vended water products.
- (e) The existing levels of fees for the bottled water regulatory program are not sufficient to completely fund rigorous oversight of bottled water and vended water products, when compared to

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funding that is generated by drinking water program regulatory fees paid by public water systems.

- (f) Legislation is necessary to improve consumer protection and eliminate the double standards regarding the water quality "right to know" consumer reporting requirements and regulatory oversight of bottled water products versus the regulation of tap water.
- SEC. 2. Section 111197 is added to the Health and Safety Code, to read:
- 111197. (a) Each water bottler, water vendor, water hauler, and retail water facility shall prepare and distribute an annual consumer confidence report to its customers that is substantially the same as the consumer confidence report prepared and distributed annually by public water systems pursuant to Section 116470. This annual consumer confidence report shall include, but not be limited to, all of the following:
 - (1) Source of the bottled, vended, or hauled water.
- (2) Identification of any regulated contaminants detected in the source of the bottled or vended water during the past year.
- (3) The level of the contaminant detected and the corresponding maximum contaminant level.
- (4) Any violations of the maximum contaminant level that have occurred and a brief and plainly worded statement of health concerns that resulted in the regulation of the contaminant.
- (b) Each bottled water facility, water vending machine, and retail water facility shall be subject to annual inspections by the department, and the department may make unannounced inspections of those facilities, to determine compliance with this article. In earrying out this authority, the department may, at any reasonable hour of the day, do any of the following:
- (1) Enter and inspect any bottled water or vended water facility or any place where bottled water or vended water records are stored, kept, or maintained.
- (2) Inspect and copy any records, reports, test results, or other information required to carry out this article.
- (3) Set up and maintain monitoring equipment for purposes of assessing compliance with this article.
 - (4) Obtain samples of the water supply.
- (c) In addition to the annual license fees set forth in Section 111130, commencing July 1, 2004, each water bottling plant,

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water vending machine owner, water hauler, retail water facility, private water source operator, and bottled water distributor shall reimburse the department for the actual costs incurred by the 4 department in conducting the activities provided for in this article 5 and Article 2 (commencing with Section 110140) of Chapter 2 relating to inspections, monitoring, surveillance, and water quality 6 evaluation. For the first year, reimbursement to the department 8 shall be in the amount of eighty-six dollars (\$86) per hour, consistent with the hourly cost rate imposed on public water 10 systems pursuant to Section 116565. In subsequent years, the department shall annually adjust the hourly cost rate to ensure that 12 the amount of reimbursement shall be sufficient to pay, but in no 13 event exceed, the department's actual cost in conducting these 14 activities.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.